GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:304
ANSWERED ON:11.12.2000
SURCHARGE ON ELECTRICITY PRODUCED BY NHPC
MD ANWARUL HAQUE;RAGHUVANSH PRASAD SINGH

Will the Minister of POWER be pleased to state:

(a) whether the Government propose to levy surcharge on power generated by National Hydro-electric Power Corporation;

(b) if so, the details thereof and the reasons therefor;

(c) whether the proposed surcharge is likely to affect the agriculture sector;

(d) if so, whether the Government propose to review the proposal ; and

(e) if not, the reasons therefor?

Answer

THE MINISTER OF POWER(SHRI SURESH P. PRABHU)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 304 TO BE ANSWERED IN TH LOK SABHA ON 11.12.2000 REGARDING SURCHARGE ON ELECTRICITY PRODUCED BY NHPC.

(a) to (e) : Hydro electric power apart from being renewable and non polluting source of energy, is a valuable source of peaking power. This power is also very cheap after the debt for a new project is paid as there are no fuel costs.

A new Hydel Policy was announced in 1998 to accelerate the development of hydro electric potential of the country. So far only 16% of the identified potential of around 1,50,000 MW in the country has been developed whereas most developed countries have been utilizing their hydro potential almost fully for decades.

The National Hydro-electric Power Corporation (NHPC) has filed a petition before the Central Electricity Regulatory Commission (CERC), praying for levy of a surcharge of ten paise/unit on energy available at bus bar on the electricity generated from its generating stations. The amount collected as a result of levying such surcharge is intended to supplement the budgetary support for accelerating hydro power development. The NHPC proposes to develop 30,000 MW of new generating capacity in the next 15-20 years.

As in the long run hydro electric power is the cheapest source of power, its development would be beneficial to all categories of consumers including the agricultural sector. The cost of generation of power by the Bhakra Beas Management Board is approximately 8 paise/unit.